

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 2140 - HB 2242**

March 16, 2014

**SUMMARY OF BILL:** Authorizes a rural electric cooperative to contract with Trousdale County to provide broadband service throughout the county.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- According to information provided by Trousdale County, if the provisions of this legislation are enacted, the county will not contract with the cooperative; however, the cooperative will provide broadband service to the customers currently served by the cooperative.
- Pursuant to Tenn. Code Ann. § 65-25-203, electric cooperatives are organized and operated on a nonprofit basis and without pecuniary gain, and shall furnish their services on an area coverage basis at the lowest cost consistent with sound business principles.
- Rural electric cooperatives are not considered to be a state or local government entity; therefore, any fiscal impact to state or local government is estimated to be not significant.

**IMPACT TO COMMERCE:**

**Other Fiscal Impact – A precise impact to commerce within Trousdale County cannot reasonably be quantified; however any such impact is estimated to be positive.**

Assumptions:

- The provisions of the bill are permissive to rural electric cooperatives. Any potential broadband service provided to customers by a rural electric cooperative would be done

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on a nonprofit basis and any costs incurred would be recovered through charges to its customers for service.

- It is unknown how many customers within Trousdale County will receive broadband service by a cooperative, how many of such customers will be private businesses, the extent of costs for business to receive such service, and how such businesses will be impacted; therefore, a precise impact to commerce within Trousdale County exclusively cannot be reasonably determined; however, any impact to commerce is estimated to be positive.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jrh